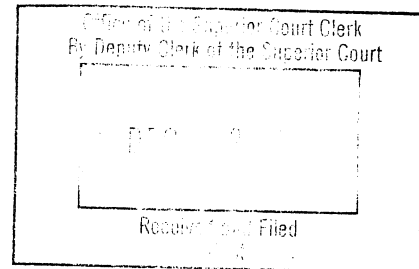


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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION
ESSEX COUNTY
DOCKET NO.: C-393-05

PETER C. HARVEY, Attorney General of
the State of New Jersey, and KIMBERLY
S. RICKETTS, Director of the New Jersey
Division of Consumer Affairs

Plaintiffs,

v.

LILLISTON FORD, INC., JANE AND
JOHN DOES 1-20, individually and as
officers, directors, shareholders, founders
owners, agents, servants and/or employees
of LILLISTON FOPD, INC. and XYZ
CORPORATIONS 1-20,

Defendants

Civil Action

COMPLAINT

Peter C. Harvey, Attorney General of the State of New Jersey, with offices located at 124 Halsey
Street, Fifth Floor, Newark, New Jersey, and Kimberly S. Ricketts, Director of the New Jersey Division

of Consumer Affairs, with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, by way of Complaint state:

PARTIES AND JURISDICTION

1. The Attorney General of the State of New Jersey ("Attorney General") is charged with the responsibility of enforcing the New Jersey Consumer Fraud Act ("CFA"), N.J.S.A. 56:8-1 et seq., and the regulations promulgated thereunder, N.J.A.C. 13:45A-1.1 et. seq. (the "Regulations"). The Director of the New Jersey Division of Consumer Affairs ("Director") is charged with the responsibility of administering the CFA and the Regulations on behalf of the Attorney General.

2 By this action, the Attorney General and Director (collectively referred to as "Plaintiffs") seek injunctive and other relief for violations of the CFA and relevant Regulations. Plaintiffs bring this action pursuant to the authority under the CFA, specifically N.J.S.A. 56:8-8, N.J.S.A. 56:8-11, N.J.S.A. 56:8-13 and N.J.S.A. 56:8-19. Venue is proper in Essex County, pursuant to R. 4:3-2, because it is a county in which defendants have advertised and/or conducted business and in which they maintain principal offices to conduct business.

3. Upon information and belief, Lilliston Ford, Inc. ("Defendant" or "Lilliston Ford") was incorporated in the State of New Jersey (the "State") on March 8, 1983. Lilliston Ford maintains a principal business address of 833 North Delsea Drive, Vineland, New Jersey 08360.

4. Upon information and belief, the registered agent for Lilliston Ford in the State is Stephen Hankin, Esq., who maintains a mailing address of 30 South New York Avenue, Atlantic City, New Jersey 08401.

5. Upon information and belief, John and Jane Does 1 through 20 are fictitious individuals meant to represent the officers, directors, shareholders, founders, owners, agents, servants and/or employees of Lilliston Ford who have been involved in the conduct that gives rise to this Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

6. Upon information and belief, XYZ Corporations 1 through 20 are fictitious corporations meant to represent any additional corporations who have been involved in the conduct that gives rise to this Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

7. Upon information and belief, since at least March 1983, Lilliston Ford has sold and/or offered for sale new and used motor vehicles to consumers in the State and elsewhere.

8. Upon information and belief, Lilliston Ford operates a web site at www.lillistonford.com on which it advertises the sale and lease of new and used motor vehicles.

9. Upon information and belief, Lilliston Ford has placed advertisements for the sale and lease of new and used motor vehicles in newspapers, including the Cumberland Reminder and The Press, Atlantic City.

10. On July 12, 1984, an administrative complaint was filed with the New Jersey Division of Consumer Affairs ("Division") as to Lilliston Ford seeking recovery under the CFA and the Regulations governing Motor Vehicle Advertising Practices (formerly N.J.A.C. 13:45A-2.1). This matter was resolved

through a Consent Order, filed August 29, 1984. At that time, Lilliston Ford was similarly engaged in the retail sale and/or lease of new and used motor vehicles.

COUNT I

**VIOLATIONS OF THE CFA BY LILLISTON FORD
(UNCONSCIONABLE COMMERCIAL PRACTICES,
MISREPRESENTATIONS AND KNOWING OMISSIONS OF MATERIAL FACT**

11. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 10 above as if more fully set forth herein.

12. The CFA, N.J.S.A. 56:8-2 prohibits:

The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing[] concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise . . .

13. In their advertisement and sale of new and used motor vehicles to consumers in the State since at least 2002, Lilliston Ford has engaged in the use of unconscionable commercial practices and misrepresentations including but not limited to the following:

- a. Repeatedly failing to disclose to consumers prior to their purchase or lease of used motor vehicles any prior damage to said motor vehicles;
- b. Failing to honor negotiated deals concerning the sale of motor vehicles; and
- c. Misrepresenting the mileage on motor vehicles sold.

14. Each unconscionable commercial practice and misrepresentation by Lilliston Ford constitutes a separate violation of the CFA, N.J.S.A. 56:8-2.

COUNT II

VIOLATIONS OF THE MOTOR VEHICLE ADVERTISING REGULATIONS BY LILLISTON FORD

15. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 14 above as if more fully set forth at length herein.

16. The Regulations Governing Motor Vehicle Advertising Practices, N.J.A.C. 13:45A-26A.1 et seq., promulgated pursuant to the CFA (hereinafter "Advertising Regulations"), address, among other things, general advertising practices concerning motor vehicles offered for sale or lease in the State.

17. The Advertising Regulations governing unlawful advertising practices provide, in pertinent part:

(a) In any type of motor vehicle advertising, the following practices shall be unlawful:

....

4. The failure to state all disclaimers, qualifiers, or, limitations that in fact limit, condition, or negate a purported unconditional offer (such as low APR or high trade in amount), clearly and conspicuously, next to the offer and not in a footnote identified by an asterisk.

[N.J.A.C. 13:45A-26A.7(a)4.]

18. Additionally, the Advertising Regulations require that any advertisement offering for sale a used motor vehicle at an advertised price disclose "the nature of prior use ... when such prior use is known or should have been known by the advertiser." N.J.A.C. 13:45A-26A.5(b)2.

19. The Advertising Regulations further require that any advertisement offering for sale a new motor vehicle contain a statement that "prices include ... all costs imposed by ... licensing costs, registration fees and taxes." N.J.A.C. 13:45A-26A.5(a)2.

20. Moreover, the Advertising Regulations prohibit the “setting forth of an advertised price which has been calculated by deducting a down payment, trade-in allowance or any deductions other than a manufacturer’s rebate and dealer’s discount.” N.J.A.C. 13:45A-26A.7.

21. In its print and/or internet advertisements for the sale of new and used motor vehicles, Lilliston Ford has violated the Motor Vehicle Advertising Regulations by engaging in certain conduct including, but not limited to, the following:

- a. In its print advertisements, including limitations on a purported unconditional offer in a footnote identified by an asterisk rather than next to the stated offer;
- b. In its internet advertisements, failing to disclose prior damage to used motor vehicles;
- c. In its internet advertisements, failing to disclose that a used motor vehicle was previously registered and used as a rental car;
- d. In its print advertisements, failing to include the statement required under N.J.A.C. 13:45A-26A.5(a)2; and
- e. In its print advertisements, applying down payments and trade-in allowances in calculating the advertised price of a motor vehicle.

22. Lilliston Ford’s conduct constitutes multiple violations of the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.5 and N.J.A.C. 13:45A-26A.7, each of which constitutes a per se violation of the CFA, N.J.S.A. 56:8-2.

COUNT III

VIOLATION OF THE AUTOMOTIVE REPAIR REGULATIONS BY LILLISTON FORD

23. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 22 above as if more fully set forth herein.

24. The Automotive Repair Regulations, N.J.A.C. 13:45A-26C.1 et seq., promulgated pursuant to the CFA (hereinafter the "Repair Regulations"), govern the repair of motor vehicles.

25. The Repair Regulations provide that it shall be an unlawful practice to engage in the following conduct:

- (a) Without limiting the prosecution of any other practices which may be unlawful under the [CFA], the following acts or omissions shall be deceptive practices in the conduct of the business of an automotive repair dealer, whether such act or omission is done by the automotive repair dealer or by any mechanic, employee, partner, officer [or] member of the automotive repair dealer:

....

3. Commencing work for compensation without either:

- (i) One of the following:

....

- (1) Providing the customer with a written estimated price to complete the repair, quoted in terms of a not-to-exceed figure; or

....

- (4) Obtaining from the customer a written authorization to proceed with repairs not in excess of a specific dollar amount. For the purposes of this subchapter, said dollar amount shall be deemed the estimated price of repairs; or

[N.J.A.C. 13:45A-26C.2(a)(3)(i)(1), (4).]

26. The Repair Regulations further prohibit the "[f]ailure to provide a customer with a copy of any receipt or document signed by him, when he signs it." N.J.A.C. 13:45A-26C.2.(a)(4).

27. Since at least 2004, Lilliston Ford has violated the Repair Regulations by engaging in certain conduct including, but not limited to, the following:

a Commencing work on a consumer's motor vehicle without providing the consumer with a written estimated price or obtaining authorization from the consumer to proceed with the repairs not in excess of a specific amount; and

b. Failing to provide a consumer with a copy of a signed worksheet.

28. Lilliston Ford's conduct constitutes multiple violations of the Repair Regulations, N.J.A.C.

13:45A-26C.1 et seq., each of which constitutes a per se violation of the CFA, N.J.S.A. 56:8-2.

COUNT IV

VIOLATIONS OF THE FEDERAL ODOMETER DISCLOSURE STATUTE BY LILLISTON FORD

29. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 28 above as if more fully set forth at length herein.

30. The Federal Odometer Disclosure statute, 49 U.S.C.A. §§ 32701 et. seq. mandates certain disclosures upon the transfer of a motor vehicle, and includes a prohibition against making false statements in said disclosures.

31. The Attorney General is empowered to bring claims in state court for violations of the Federal Odometer Disclosure statute pursuant to 49 U.S.C.A. § 32709(d).

32. In at least one instance since 1999, Lilliston Ford signed odometer disclosure statements which falsely represented that the mileage indicated on the statement was the actual mileage of the motor vehicle sold.

33. By engaging in such conduct, Lilliston Ford violated 49 U.S.C.A. § 32705

PRAYER FOR RELIEF

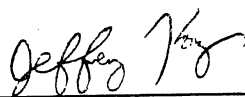
WHEREFORE, based upon the foregoing allegations, the Plaintiffs respectfully request that the

Court enter judgment against Defendant Lilliston Ford:

- (a) Finding that the acts and omissions of Lilliston Ford constitute multiple instances of unlawful practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.1 et seq., the Automotive Repair Regulations, N.J.A.C. 13:45A-26C.1 et seq., and the Federal Odometer Disclosure Act, 49 U.S.C.A. §§ 32701 et seq.;
- (b) Permanently enjoining Lilliston Ford and its officers, directors, franchisees, shareholders, founders, owners, agents, servants, employees, representatives, corporations, subsidiaries, affiliates, successors, assigns and all other persons or entities directly under its control, from engaging in, continuing to engage in, or doing any acts or practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.1 et seq., the Automotive Repair Regulations, N.J.A.C. 13:45A-26C.1 et seq. and the Federal Odometer Disclosure Act, 49 U.S.C.A. §§ 32701 et seq.;
- (c) Directing the assessment of restitution amounts against Lilliston Ford to restore to any affected person, whether or not named in this Complaint, any money or real or personal property acquired by means of any practice alleged herein to be unlawful and found to be unlawful, as authorized by the CFA, N.J.S.A. 56:8-8;
- (d) Assessing the maximum statutory civil penalties against Lilliston Ford for each and every violation of the CFA, in accordance with N.J.S.A. 56:8-13;
- (e) Directing the assessment of costs and fees, including attorneys' fees, against Lilliston Ford for the use of the State of New Jersey, as authorized by the CFA, N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19; and

- (f) Granting such other relief as the interests of justice may require.

PETER C. HARVEY
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: 
Jeffrey Koziar
Deputy Attorney General

DATED: December 2, 2005
Newark, New Jersey

RULE 4:5-1 CERTIFICATION

I certify, to the best of my information and belief, that the matter in controversy in this action involving the aforementioned violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq., is not the subject of any other action pending in any other court of this State. I am aware that private contract and other actions have been brought against the Defendants, but have no direct information that any such actions involve consumer fraud allegations. I further certify that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, nor is any other action or arbitration proceeding contemplated. I certify that there is no other party who should be joined in this action at this time.

PETER C. HARVEY
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: Jeffrey Koziar
Jeffrey Koziar
Deputy Attorney General

DATED: December 2, 2005
Newark, New Jersey

DESIGNATION OF TRIAL COUNSEL

Pursuant to R. 4:25-4, Jeffrey Koziar, Deputy Attorney General, is hereby designated as trial counsel on behalf of Plaintiffs.

PETER C. HARVEY
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: Jeffrey Koziar
Jeffrey Koziar
Deputy Attorney General

Dated: December 2, 2005
Newark, New Jersey